

Message Text

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PAGE 01 MANAGU 03333 152152Z

ACTION OPIC-06

INFO OCT-01 ARA-14 ISO-00 EB-07 AID-05 TRSE-00 OMB-01

COME-00 CIAE-00 INR-07 NSAE-00 L-03 /044 W

-----077702 160924Z /13

R 152122Z JUL 77

FM AMEMBASSY MANAGUA

TO SECSTATE WASHDC 3785

UNCLAS MANAGUA 3333

FOR OPIC

E.O. 11652: N/A

TAGS: EINV, NU

SUBJECT: POLITICAL RISK CONVERTIBILITY INSURANCE (OPIC)

REF: A) STATE 152849 B) STATE A-1080 (MARCH 4, 1977) C) STATE 135115

1. THERE IS NO GENERAL RESTRICTION ON CONVERTIBILITY OF CURRENCY OR ON REPATRIATION OF ROYALTIES, PROFITS, ETC., EARNED BY FOREIGN FIRMS IN NICARAGUA. FOREIGN FIRMS ARE ENCOURAGED TO REGISTER THEIR INVESTMENTS WITH THE CENTRAL BANK OF NICARAGUA, HOWEVER, BECAUSE IN THE EVENT OF CURRENCY RESTRICTIONS ONLY THOSE REGISTERED INVESTMENTS WOULD BE ALLOWED CURRENCY CONVERSION AT THE OFFICIAL RATE OF EXCHANGE. CURRENTLY, ANY INVESTMENT, WHETHER REGISTERED OR NOT, MAY BE CONVERTED. NO LEGISLATION IN THIS FIELD HAS BEEN ENACTED RECENTLY OR IS UNDER CONSIDERATION.

2. GOVERNMENT OF NICARAGUA OFFICIALS AND AMERICAN FINANCIERS WERE CONTACTED IN REGARD TO CURRENT PRACTICES. THE CONVERSION PERIOD APPEARS TO BE MINIMAL, USUALLY EQUAL TO THE AMOUNT OF TIME NECESSARY FOR ADMINISTRATIVE PROCESSING. NO DELAYS OR PROBLEMS OF ANY KIND HAVE BEEN ENCOUNTERED BY THE AMERICANA BUSINESS COMMUNITY IN NICARAGUA.

3. OFFICIAL FIGURES INDICATE THE \$69.2 MILLION WORTH OF PETROLEUM

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AND PETROLEUM PRODUCTS WERE IMPORTED INTO NICARAGUA IN 1976, ACCOUNTING FOR APPROXIMATELY 13 PERCENT OF NICARAGUAN IMPORTS. ON THE EXPORT SIDE, BOTH COTTON AND COFFEE, NICARAGUA'S MAJOR EXPORT EARNERS, ARE DOING WELL IN INTERNATIONAL MARKETS. ALTHOUGH THE IMPACT OF PROJECTED INCREASES IN THE FOREIGN EXCHANGE COSTS OF ENERGY DIFFICULT TO PREDICT, EMBASSY FEELS THAT COMBINATION OF STRONG EXPORT EARNINGS AND RELATIVELY SMALL PERCENTAGE OF IMPORTS OF PETROLEUM INDI-

CATE THAT IMPACT WOULD BE MANAGEABLE.

4. EMBASSY WILL KEEP OPIC INFORMED OF ANY SIGNIFICANT CHANGES IN
CONVERSION PRACTICES.

5. FYI REF B STATE A-1080 OF MARCH 4 ARRIVED MANAGUA JULY 7.
RUBENSTEIN

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: POLICIES, INSURANCE, CONVERTIBLE FOREIGN EXCHANGE, FOREIGN INVESTMENTS, FOREIGN INVESTMENT CONTROLS
Control Number: n/a
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Sent Date: 15-Jul-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: n/a
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Errors: N/A
Expiration:
Film Number: D770253-1165
Format: TEL
From: MANAGUA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770753/aaaabyb.tel
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Litigation Code IDs:
Litigation Codes:
Litigation History:
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Original Classification: UNCLASSIFIED
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TAGS: EINV, NU, OPIC
To: STATE
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